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Message Text

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ACTION IO-14

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TO SECSTATE WASHDC PRIORITY 9830
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VIENNA FOR UNIDO

DEPARTMENT FOR NORRIS (IO/DHP) AND SCHWEBEL (L)

E. O. 11652: N/A
TAGS: EGEN, UN, ECOSOC, UNIDO
SUBJECT: UN CONFERENCE ON THE ESTABLISHMENT OF UNIDO AS A SPECIALIZED AGENCY: DEVELOPMENTS FEBRUARY 27-MARCH 1 -- G-77 RETREAT FROM PREVIOUS UNDERSTANDINGS CREATES PROBLEMS

REF: USUN 692

1. SUMMARY: DURING NEGOTIATING COMMITTEE'S REVIEW OF UN-RESOLVED ISSUES, G-77 FIRST LULLED DEVELOPED COUNTRIES WITH SURPRISINGLY MODEST DEMAND ON TECHNICAL ISSUE AND THEN LOWERED THE BOOM BY PROPOSING AMENDMENTS TO DRAFT CONSTITUTION THAT WOULD RENDER LARGELY INEFFECTIVE CARE-FULLY CONSTRUCTED PROGRAMME AND BUDGET CONTROLS AND WOULD EVISCERATE TOUGH AMENDMENT PROCEDURES. U. S. AND OTHER GROUP B COUNTRIES HAVE DEPLORED THESE DEVELOPMENTS AND ARE HOLDING FIRM TO BASIC POSITIONS. G-77 INTENTIONS UNCLEAR, LIMITED OFFICIAL USE

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ALTHOUGH THERE ARE SOME INDICATIONS THAT NEW YORK G-77, WHO HAVE APPARENTLY TAKEN CONTROL OF GROUP, MAY PREFER NO CONSTITUTION RATHER THAN ONE ON TERMS ACCEPTABLE TO US. END SUMMARY.

2. WHEN NEGOTIATING COMMITTEE RESUMED ON FEBRUARY 27, GROUP D WITHDREW ITS OBJECTION TO CHAIRMAN'S PROPOSED WORK

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PROGRAM, AND COMMITTEE BEGAN CONSIDERATION OF FINANCIAL AND INSTITUTIONAL ISSUES. BY CLOSE OF SESSION ON MARCH 1, COMMITTEE HAD COMPLETED INITIAL REVIEW OF ALL OUTSTANDING QUESTIONS. MOST SIGNIFICANT DEVELOPMENTS WERE:

(A) G-77 MADE SURPRISINGLY MODEST PROPOSAL FOR INCREASE IN CEILING ON AMOUNT OF TECHNICAL ASSISTANCE TO BE FINANCED FROM REGULAR BUDGET (ANNEX II, PARAGRAPH B) FROM BRACKETED FIGURE OF 5 PER CENT TO 6 PER CENT. U. S. NOTED THAT AGREEMENT TO FINANCING OF ANY AMOUNT OF TECHNICAL ASSISTANCE FROM ASSESSED CONTRIBUTIONS WOULD BE DEVIATION FROM ESTABLISHED U. S. POLICY AND ARGUED THAT 5 PER CENT WAS MAXIMUM THAT COULD BE JUSTIFIED ON BASIS OF UNIDO'S PAST USE OF SECTION 15 FUNDS. FRG AND JAPAN ALSO DEFENDED 5 PER CENT FIGURE. (COMMENT: ON BASIS DISCUSSIONS AMONG GROUP B COUNTRIES, IT IS CLEAR THAT ALL MEMBERS WOULD BE PREPARED TO GO AS HIGH AS 8 PER CENT, AND SOME HIGHER, IF NEGOTIATING SITUATION WARRANTS.) GROUP D PROPOSED DELETION OF ENTIRE ANNEX II AND DREW STRONG NEGATIVE REACTION FROM G-77. DURING THIS DISCUSSION, U. S. PROPOSED SPECIFIC REFERENCE IN ANNEX II TO UNDP AND SAID IT WOULD CIRCULATE LANGUAGE FOR CONSIDERATION; THERE WAS NO IMMEDIATE REACTION, ALTHOUGH MANY OTHER GROUP B COUNTRIES HAVE INDICATED IN GROUP MEETINGS THAT THEY FAVOR SUCH A REFERENCE PROVIDED IT DOES NOT BECOME A BONE OF CONTENTION IN THE NEGOTIATIONS.
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(B) G-77 SAID SHARE OF SEATS ON INDUSTRIAL DEVELOPMENT BOARD AND PROGRAMME AND BUDGET COMMITTEE PROVIDED FOR G-77 BY BRACKETED NUMBERS IN ARTICLE 9.1 AND ARTICLE 10.1 WAS INADEQUATE TO REFLECT IMPORTANCE OF DEVELOPING COUNTRIES IN TOTAL MEMBERSHIP AND PRINCIPLE OF EQUITABLE GEOGRAPHIC DISTRIBUTION. IT SUGGESTED THAT ACCEPTABLE DISTRIBUTION WOULD BE: IDB - TOTAL 50, 34 FOR G-77, 12 FOR GROUP B, AND 4 FOR GROUP D; PBC - TOTAL 27, 19 FOR G-77, 5 FOR GROUP B, 3 FOR GROUP D. (NOTE: IN BOTH CASES THIS WOULD GIVE G-77 MORE THAN TWO-THIRDS OF SEATS) MEMBERS OF GROUPS B AND D DEFENDED BRACKETED NUMBERS, NOTING THAT THIS APPORTIONMENT ALREADY GIVES ALL NEW SEATS IN ENLARGED IDB TO G-77 AND CONSTITUTES A 20 PER CENT INCREASE IN G-77 REPRESENTATION.

(C) G-77 PROPOSED DRASTIC REVISION OF ARTICLE 14 WHICH ESTABLISHES PROCEDURES FOR FORMULATION AND ADOPTION OF PROGRAMME AND BUDGET. ESSENCE OF G-77 PROPOSAL IS TO REDUCE ROLE OF PBC TO THAT OF AN ADVISORY BODY ON LINES OF ACABQ AND TO GIVE GENERAL CONFERENCE OPEN-ENDED AUTHORITY TO MODIFY AND INCREASE BUDGET. U. S. AND SEV-

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ERAL OTHER GROUP B COUNTRIES EXPRESSED DISMAY AND DIS-
APPOINTMENT AT THIS REOPENING OF QUESTIONS WHICH HAD BEEN
CAREFULLY NEGOTIATED AND APPARENTLY SETTLED IN
INTERGOVERNMENTAL COMMITTEE AND WHICH REJECTED CONCESSIONS
ON ALL SIDES. WE SUGGESTED THIS RAISED SERIOUS QUESTION
WHETHER PRESENT CONFERENCE COULD ACHIEVE ITS OBJECTIVE.

(D) G-77 PROPOSED TO EVISCERATE ARTICLE 23 (AMENDMENTS) BY
DELETING PARAGRAPH 3 AND MAKING ALL AMENDMENTS SUBJECT
ONLY TO PROVISIONS OF PARAGRAPH 2, I.E. APPROVAL BY CON-
FERENCE BY TWO-THIRDS OF MEMBERS. U. S. AND OTHER GROUP
B COUNTRIES AGAIN REACTED STRONGLY, STATING THAT THIS FUR-
THER RETREAT FROM PREVIOUS AGREEMENTS HEIGHTENED OUR CON-
CERNS ABOUT PROSPECTS FOR THIS CONFERENCE.
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3. ON ISSUES OTHER THAN THOSE MENTIONED IN PARAGRAPH 2

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ABOVE, NEGOTIATING COMMITTEE DISCUSSION WAS LARGELY A REITERATION OF WELL-KNOWN POSITIONS ON BRACKETED LANGUAGE OR RESERVATIONS. THERE WAS ONLY VERY LIMITED CONSIDERATION OF PREAMBULAR LANGUAGE RELATING TO NIEO, ETC., WHICH AT THIS STAGE OF CONFERENCE IS CLEARLY OF SECONDARY IMPORTANCE.

4. ON MARCH 2 NEGOTIATING COMMITTEE WILL ASSEMBLE IN A SMALLER ROOM AND PRESUMABLY WITH MORE LIMITED ATTENDANCE (ALTHOUGH STILL OPEN-ENDED IN PRINCIPLE) TO BEGIN A SECOND GO-ROUND ON FINANCIAL AND INSTITUTIONAL QUESTIONS.

5. G-77 INTENTIONS ARE UNCLEAR, ESPECIALLY GIVEN DIFFERENCES OF VIEWS AMONG PLAYERS. G-77 SPOKESMAN HAS TOLD US PRIVATELY THAT THERE IS STRONG SENTIMENT WITHIN G-77, NOW DOMINATED BY "NEW YORKERS" THAT IT WOULD BE BETTER TO HAVE LIMITED OFFICIAL USE

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NO SPECIALIZED AGENCY THAN TO HAVE ONE ON BASIS NEGOTIATED IN VIENNA. NEW YORK MEMBERS OF G-77 ARE ESPECIALLY CONCERNED ABOUT BUDGETARY PROCEDURES WHICH HEY RECOGNIZE AS MORE RESTRICTIVE THAN THOSE OF MOST OTHER SPECIALIZED AGENCIES AND WHICH THEY BELIEVE WOULD GIVE G-77 LESS INFLUENCE ON UNIDO BUDGET THAN IT NOW HAS IN ACABQ, COMMITTEE 5, UNGA PROCESS, AND HENCE REVERSE TREND OF GROWING G-77 INFLUENCE ON BUDGETARY QUESTIONS. SOME OF VIENNA-BASED MEMBERS OF G-77, WHOSE INFLUENCE ON GROUP HAS APPARENTLY BEEN LESS THAN ANTICIPATED, TELL US THAT G-77 HAS SIMPLY STAKED OUT A NEGOTIATING POSITION AND THAT BY NEXT WEEK WE MAY FIND G-77 MORE FLEXIBLE. UNDER THIS HYPOTHESIS, CHAIRMAN MEHTA MAY SEEK TO FORM A MORE RESTRICTED NEGOTIATING GROUP EARLY NEXT WEEK IN ATTEMPT TO FIND SOLUTIONS. THIS THESIS REMAINS TO BE PROVED; WE ARE NOT OPTIMISTIC. U. S. DELEGATION INTENDS TO HOLD FIRMLY TO ITS POSITIONS, AND WE EXPECT SEVERAL OTHER KEY GROUP B COUNTRIES TO DO THE SAME. IT IS CLEAR WE FACE REAL PROSPECT OF AN IMPASSE IN THIS CONFERENCE.

6. DRAFTING COMMITTEE QUICKLY DISPOSED OF THE FEW ITEMS RAISED IN THE SECRETARIAT'S EDITORIAL REVIEW (A/CONF.90/5) WHICH WERE JUDGED TO BE PURELY DRAFTING IN NATURE. AS THE DRAFTING COMMITTEE IS DIRECTED NOT TO TAKE UP MATTERS OF SUBSTANCE, ALL EDITORIAL SUGGESTIONS TOUCHING ON ISSUES WHICH ARE OPEN BEFORE THE NEGOTIATING COMMITTEE WERE DEFERRED FOR LATER DECISION. THEREAFTER, THE COMMITTEE BEGAN AN ARTICLE-BY-ARTICLE READING OF THE CONSTITUTION, OMITTING ALL BRACKETED OR OTHERWISE CONTENTIOUS PORTIONS, TO ASSIST IN ESTABLISHING LINGUISTIC CONFORMITY IN THE VARIOUS UN LANGUAGES. THIS READING PROGRESSED SLOWLY WITH TWO COMMITTEE SESSIONS SPENT ON THE PREAMBLE. YOUNG

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